

INDIANA STATE DEPARTMENT OF HEALTH
Health Care Quality and Regulatory Commission
Division of Long Term Care

EFFECTIVE DATE: June 30, 2017

CANCELS: n/a

REVISED: n/a

REVIEWED: n/a

TITLE: Approval Process for Small House Health Facilities

PURPOSE: This policy is intended to provide a process to submit an application for small house health facility approval under IC 16-28-2.5-7.

BACKGROUND:

In 2011, the Indiana General Assembly adopted a definition of a small house health facility (P.L. 229-2011, Section 161). The statute was amended in 2012 (P.L. 6-2012, Section 114). The moratorium statute adopted at that time created an exception for small house health facility beds.

In 2015, the Indiana General Assembly passed a statute amending the small house health facility application and approval process (P.L. 257-2015, Section 4).

IC 16-28-2.5-6(B)(2) states that the state department may not approve the licensure of comprehensive care facilities or new or converted comprehensive care beds except for ... (2) a small house health facility approved under section 7 of this chapter.

POLICY:

1. The ISDH may approve no more than one hundred (100) beds per year that are designated for small house health facilities. [IC 16-28-2.5-7(b)]

POLICY: The ISDH uses the state fiscal year (July 1 – June 30) to allot the 100 beds. The ISDH will approve no more than 100 small house beds in a state fiscal year.

2. A small house facility that is applying for licensure under this article, including an entity related to the small house facility through common ownership or control, may apply to the state department for licensure or Medicaid certification of not more than fifty (50) comprehensive care beds for small house health facilities per year. [IC 16-28-2.5-7(a)]

POLICY: A facility may not apply for more than fifty (50) small house beds per year.

3. The state department shall approve an application for licensure or Medicaid certification for a small house health facility:
 - (1) in the order of the completed application; and
 - (2) if the small house health facility applicant meets the definition of a small house health facility and the requirements of this section.

[IC 16-28-2.5-7(c)(1)(2)]

POLICY:

A completed application requires:

- a. A *Small House Health Facility Application Form* (State Form 56334)
- b. An application for ISDH Plan Review / DHS Division of Fire and Building Safety Design Release Service
- c. A meeting with the Division of Long Term Care to discuss how the facility plans to meet the definition of a small house health facility
- d. A plan approval letter by the ISDH Healthcare Engineering Program

The date of the “completed application” is the date when the items required for a completed application have been completed along with a determination by the ISDH that the proposed facility meets the definition of a small house health facility.

An application form and documentation required for a “completed application” may be submitted at any time. Completed applications are not linked to a particular year. Applicants do not need to wait until July 1 of a given year to apply for bed approval. Completed applications continue indefinitely until beds are approved or the application is withdrawn.

The ISDH reviews applications as they are received. Applicants will be notified when their application is complete and whether beds can be approved at that time.

The ISDH approves beds in the order of the date of completed applications. If the ISDH has reached its limit on the number of small house beds for that year, the completed application is placed in line according to the date of the completed application until beds are available for approval.

The ISDH notes that a plan approval from the ISDH Healthcare Engineering Program does not mean that small house health facility beds have been approved. The ISDH will issue a specific approval letter when small house beds are approved.

4. Once the ISDH has issued an approval letter awarding small house health facility beds, the facility has twelve (12) months from the date of the approval letter to complete construction and begin operation. Failure to complete construction and begin operation may result in the facility forfeiting their right to the approved small house health facility beds. [IC 16-28-2.5-7(d)]

POLICY: The ISDH considers the facility to have begun operation when the ISDH has issued a health facility license and given approval to occupy.

PROCEDURE:

1. The facility submits a *Small House Health Facility Application Form* (State Form 56334) to the Division of Long Term Care. The purpose of the application is to provide facility information and designate a representative of the licensee for communications. There is no required fee for the application.

By mail to:

Division of Long Term Care – Provider Services
Indiana State Department of Health
2 North Meridian St., 4B
Indianapolis, IN 46204

By email to:

LTCProviderServices@isdh.in.gov

2. The facility submits an application for ISDH Plan Review / DHS Division of Fire and Building Safety Design Release Service. Application and building plans are submitted through the ‘one-stop’ portal of the Indiana Department of Homeland Security, Fire Protection and Building Safety Division (DHS) at <https://secure.in.gov/apps/dhs/drs/>. Information about the plan review process may be found at <http://www.in.gov/isdh/24386.htm>. The application requires the payment of fees.
3. After receiving building plans, the ISDH Division of Long Term Care will schedule a meeting with the facility to discuss how the facility plans to meet the definition of a small house health facility. The facility should be prepared to discuss how their building design meets the definition of a small house health facility and discuss the facility’s plan for implementing self-directed care. This is also an opportunity for the facility to determine whether there are other completed applications in line pending approval and the facility’s project timeline.
4. By July 1 of each year, the ISDH will approve applications for small house health facility beds for that state fiscal year of up to 100 beds based on the date of the “completed application” as defined above. The approval will be in writing to the facility licensee as stated on the application. If the ISDH does not have pending requests for 100 beds on July 1, the ISDH will issue approvals throughout the year as “completed applications” are received until the ISDH has awarded 100 beds. If the ISDH receives a “completed application” and has issued all of its allotted 100 beds for the year, the ISDH will notify the applicant of their status.
5. If a facility that has been approved for small house health facility beds fails to complete construction and begin operation within twelve (12) months or if a facility notifies the ISDH that they are withdrawing their application and releasing the approved beds, the ISDH will issue a notice of withdraw of approval to the facility and issue an approval letter to the next facility that has submitted a “completed application” based upon the date of completed application.
6. If a facility that has been approved for small house health facility beds fails to complete construction and begin operation within twelve (12) months and there are no completed applications pending, the initial approval will continue until a completed application is received from another facility.

7. Prior to beginning operation, a facility that has been approved for small house health facility beds must submit an *Application for License to Operate a Health Facility* and be authorized to occupy. Prior to issuing a license, the ISDH may conduct an inspection to confirm that the facility was built according to small house health facility requirements.

APPENDICES:

- A. IC 16-18-2-331.9 Definition of “small house health facility”
- B. IC 16-28-2.5-7 Small house health facilities; application; approval

Appendix A

IC 16-18-2-331.9 "Small house health facility"

Sec. 331.9.

"Small house health facility" means a freestanding, self-contained comprehensive care health facility that has the following characteristics:

- (1) Has at least ten (10) and not more than twelve (12) private resident rooms in one (1) structure that has the appearance of a residential dwelling, that is not more than eight thousand (8,000) square feet, and that includes the following:
 - (A) A fully accessible private bathroom for each resident room that includes a toilet, sink, and roll in shower with a seat.
 - (B) A common area living room seating area.
 - (C) An open full-sized kitchen where one hundred percent (100%) of the resident's meals are prepared.
 - (D) A dining room that has one (1) table large enough to seat each resident of the dwelling and at least two (2) staff members.
 - (E) Access to natural light in each habitable space
- (2) Does not include the following characteristics of an institutional setting:
 - (A) A nurse's station.
 - (B) Room numbering or other signs that would not be found in a residential setting.
- (3) Provides self-directed care.

As added by P.L.229-2011, SEC.161. Amended by P.L.6-2012, SEC.114.

Appendix B

IC 16-28-2.5-7 Small house health facilities; application; approval

Sec. 7

- (a) A small house health facility that is applying for licensure under this article, including an entity related to the small house health facility through common ownership or control, may apply to the state department for licensure or Medicaid certification of not more than fifty (50) comprehensive care beds for small house health facilities per year.
- (b) The state department may not approve licensure or Medicaid certification of more than one hundred (100) new comprehensive care beds per year that are designated for small house health facilities.
- (c) The state department shall approve an application for licensure or Medicaid certification for a small house health facility;
 - (1) In the order of the completed application date; and
 - (2) If the small house health facility meets the definition of a small house health facility and the requirements of this section.
- (d) A person that fails to complete construction and begin operation of a small house health facility within twelve (12) months after the state department's approval of a license under this article forfeits the person's right to any licensed or Medicaid certified comprehensive care bed that was previously approved by the state department if:
 - (1) Another person has applied to the state department for approval of licensed or Medicaid certified comprehensive care beds for a small house health facility; and
 - (2) The person's application was denied for the sole reason that the maximum number of Medicaid licensed or certified comprehensive care beds specified in this section has been approved by the state department.

As added by P.L. 257-2015, Section 4.